

DEPARTMENT OF ENERGY (DOE) OFFICE OF SCIENCE (SC) ARGONNE SITE
OFFICE (ASO) STANDARD OPERATING PROCEDURE (SOP) 22:
**IMPLEMENTATION OF THE CONTRACTOR PERFORMANCE-BASED MANAGEMENT
PROCESS**

A. OBJECTIVE

ASO has primary responsibility for implementing the prime contract with the University of Chicago for the management & operation of Argonne National Laboratory (ANL) using performance-based management. This SOP describes a phased approach to implementation of the performance-based management process and outlines ASO's roles and responsibilities.

B. SCOPE

This procedure applies to performance measurement, self-assessment, oversight and appraisal activities associated with the performance-based management process. These activities have been structured into the three phases that are further discussed in Section E.

C. REFERENCE

- a. FAR Part 37.6 – Performance-Based Contracting
- b. CH O 224.1, Contractor Performance-Based Business Management Process dated 4/19/02
- c. ASO Annual Management Plan Fiscal Year 2005
- d. Prime Contract W-31-109-ENG-38 between the U.S. Department of Energy and the University of Chicago (U of C) for the Management and Operation of Argonne National Laboratory

D. RESPONSIBILITIES

The ASO process for implementing the contractor performance-based management process is owned by the ASO Manager. The ASO Contracting Officer provides direct support as required. This process or parts of the process may be delegated to the ASO Deputy Manager, as appropriate.

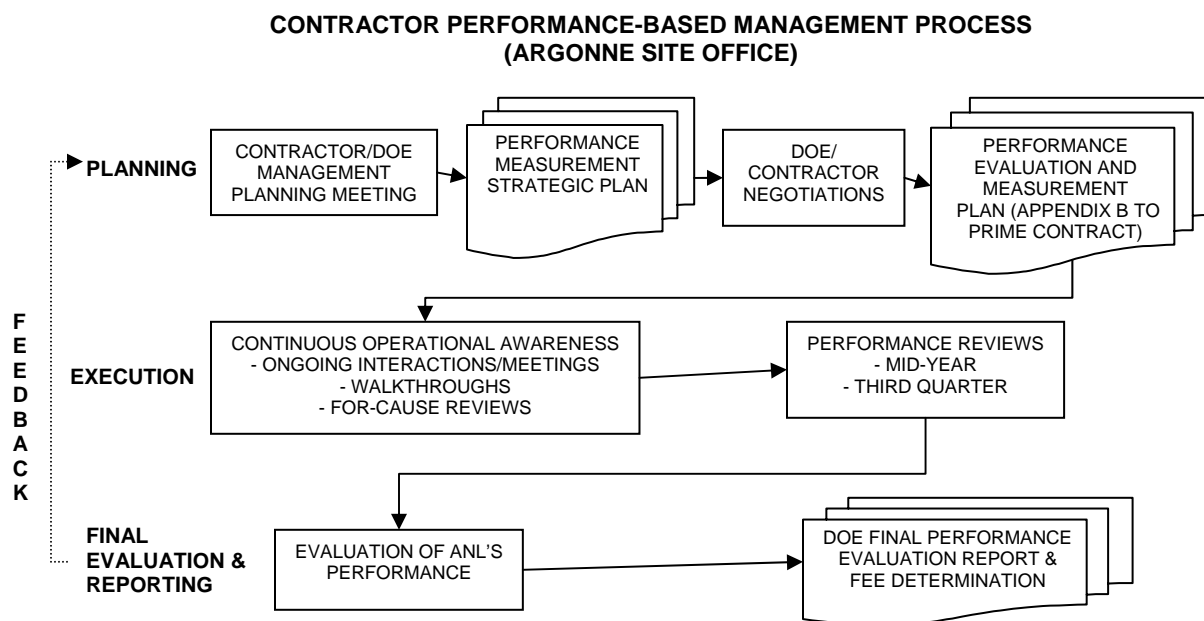
E. PROCEDURES

The performance-based management prime contract between the DOE and the U of C (reference d.) requires the use of performance measures for managing ANL performance. Specifically, Part 1, Section H, Clause H.14 Standards of Contractor Performance Evaluation paragraph (a) states:

“...The Contractor will utilize a comprehensive performance-based management approach for overall Laboratory management. The performance-based management approach will include the use of objective performance measures, agreed to in advance of each performance evaluation period, as standards against which the Contractor's overall performance of the scientific technical,

operational, and managerial mission obligations under this Contract will be assessed.”

The following diagram reflects the ASO responsibilities for implementing the contractor performance-based management process.



This process is divided into three phases:

1. **Planning**: This initiation phase includes coordination of an annual Contractor/DOE Management Planning Meeting; development of the performance measurement strategy; and the development and negotiation of objectives, measures, and expectations for the Performance Evaluation and Measurement Plan (Appendix B to the Prime Contract). SOP-22A: Development of Performance Measures and System Assessment Measures outlines the roles, responsibilities, and activities performed during this phase of the process.
2. **Execution**: On an ongoing basis, ASO conducts operational awareness of the Contractor's performance. There are performance reviews performed at mid-year and the end of the third quarter to assess progress in meeting the expectations. SOP-22B: Execution of the Performance Assessment Plan explains the activities performed during this phase of the process.
3. **Final Evaluation & Reporting**: At year-end, ASO evaluates the Laboratory's performance. This evaluation includes verification of the Laboratory's self-assessment. The final DOE Performance Evaluation Report documents the assessment and verification outcome and the associated fee determination. SOP-22C: Final Evaluation and

Reporting of Contractor's Performance explains the roles, responsibilities and activities of this phase of the process.